

**Testimony of
Ralph Andersen, Chief Executive Officer
BRISTOL BAY NATIVE ASSOCIATION**

**Hearing
Senate Indian Affairs Committee
Senator Byron L. Dorgan, Chairman
Senator Lisa Murkowski, Vice-Chairman**

S. 2232

Foreign Aid Lessons for Domestic Economic Assistance Act

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Room 485
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Chairman Dorgan, Vice-Chairman Murkowski, and distinguished members of the committee, thank you for the opportunity to appear before you today to speak in support of S. 2232, the Foreign Aid Lessons for Domestic Economic Assistance Act.

My name is Ralph Andersen. I am testifying today in my capacity as Chief Executive Officer of the Bristol Bay Native Association, which is a non-profit Native organization based in Dillingham and serving 31 communities in Southwest Alaska. I have been in my current position for about 2½ years. I am also from Bristol Bay and have spent most of my life in rural Alaska – I grew up in the village of Clarks Point, a small village about 15 miles from Dillingham on Nushagak Bay.

First, on behalf of BBNA, I would like to thank Senators Murkowski, Stevens, Inouye and Akaka for introducing S. 2232, and to thank this committee for providing the opportunity to testify. We believe this legislation, if enacted, will make a transformative, positive change in the way the federal government approaches economic assistance to Native American communities. It will be a large step toward lifting some of the most impoverished people in America out of poverty and linking them to the national and global economy, while preserving the distinctive cultural and lifestyle values that make us Native people who we are.

It is true that although we have made much progress in terms of health, education, housing and other social indicators in the decades since the Alaska Native Land Claims Settlement, but our improvements have not closed the gap

with other Americans. We still lag far behind in terms of average income and lead in most negative social indicators such as suicide rates, incarceration rates, alcohol and drug abuse, and joblessness. We are still more likely to suffer alcohol and drug addiction and joblessness than average Alaskans. And we remain heavily reliant on government-provided services.

At BBNA have been thinking long and hard about what might be done to improve our economy and the general well-being of our people. To provide some context, the Bristol Bay Region has about 7,000 people living in scattered communities in an area the size of Ohio. We have many well-known obstacles to progress: our villages are remote, transportation costs are high, the mainstay of the cash economy - commercial fishing - has been in relative decline, and there have never been many year-round jobs in the villages. Many people have moved out of our region. With the rise in oil prices, gasoline in Dillingham is now \$4.93 per gallon, heating oil is \$4.20, and prices for both in the villages can be over \$5 or even \$7 per gallon.

Yet – in a seeming paradox - the Bristol Bay region is rich in natural resources, it has a vibrant Native culture, the Native corporations own hundreds of thousands of acres of land, and there is no reason to think our commercial salmon fishery won't continue to be an important economic base for the foreseeable future. By any measure Bristol Bay is a world class destination for sports hunters and fishermen, and for eco-tourists. Improvements in telecommunications partially offset geographic barriers, and link even the smallest of our villages to the modern global environment.

Given the positive factors, we do not believe there is any inherent reason why Bristol Bay and rural Alaska in general cannot develop a robust sustainable economy, while preserving our culture and lifestyle.

While it is true that the federal government already spends a great deal of money providing services to Alaska Natives, a feature of this funding is that most of it is provided in distinct channels - Indian Health Services funding for health, NAHASDA money for housing, and Bureau of Indian Affairs funding for land services, some road construction, and a variety of social and education services. In a sense the Native organizations in rural Alaska have grown up around these funding sources, and that may sometimes give us tunnel vision that makes it difficult to think more broadly, beyond the service programs we already provide.

None of these major funding streams is directed at promoting economic growth, although the BIA does have a loan program and there is some flexibility in the use of other BIA funds. BBNA operates BIA programs, but we receive a grand total of only about \$9,000 specifically to support economic development.

Today's hearing is about a bill that is the fruition of discussions about economic improvement within the Alaska Native community over the last several years. The fundamental idea is to build upon two success stories: One is the experience of the Millennium Challenge Corporation, which provides funds to developing countries for use in locally determined economic development strategies, but with clear accountability and measures for determining success built into the funding agreements.

The other success story is domestic: tribal self-governance compacting under the Indian Self-Determination Act. Tribal self-governance has allowed tribal entities to operate federal services and in many instances to design the programs, but to date it is limited to Indian Health Service and Bureau of Indian Affairs funding. Both the Millennium Challenge Corporation and Indian Self-Governance use the “compacting” device for providing funds, which has the effect of cutting through the red tape normally associated with government contracts, and also signifies that these agreements are more than just ordinary grants. They are commitments between governments.

We believe that by providing funds to the Native community specifically to foster economic development, S. 2232 plugs a major gap. It has features that we believe are absolutely critical for such a program to succeed.

1. It provides enough funding to make a difference.
2. It is self-directed. It allows the recipients to develop the economic development strategies and projects to be funded, although with the advice and assistance of the funding agency.
3. It provides assurance that funding will be available for the entire project period (as opposed to the annual funding of most grants).
4. It requires benchmarks for measuring success.

The bill authorizes a new demonstration project program for economic development, within the Department of Commerce, that would fund 5 demonstration projects nationally for five years. Total funding would be \$100

million over the five years. Alaska Natives would receive one demonstration project, Native Hawaiians one, and tribes in the Lower 48 states would receive three. Another important feature of the bill is that it would allow, but not require, existing funding from a variety of federal agencies to be integrated into the compacts.

We believe this is an exciting opportunity to make a real difference in the lives of Native American people, and we urge that it be enacted.

Thank you again for the opportunity to testify.